

105TH CONGRESS  
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# H. R. 2677

To impose certain sanctions on countries that do not prohibit child labor.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 21, 1997

Mr. SMITH of New Jersey (for himself, Mr. HYDE, Mr. LANTOS, Mr. MORAN of Virginia, Mr. KENNEDY of Massachusetts, Ms. ROS-LEHTINEN, Mr. SANDERS, Mr. MILLER of California, and Mr. FALEOMAVAEGA) introduced the following bill; which was referred to the Committee on International Relations, and in addition to the Committees on Ways and Means, and Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To impose certain sanctions on countries that do not prohibit child labor.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “International Child  
5       Labor Elimination Act of 1997”.

6       **SEC. 2. FINDINGS.**

7       The Congress finds the following:

1           (1) Article 32 of the United Nations Convention  
2           on the Rights of the Child recognizes “the right of  
3           the child to be protected from economic exploitation  
4           and from performing any work that is likely to be  
5           hazardous or to interfere with the child’s education  
6           or to be harmful to the child’s health or physical,  
7           mental, spiritual, moral or social development.”.

8           (2) Article 2 of Convention 138 of the Inter-  
9           national Labor Organization, the Minimum Age  
10          Convention, states that the minimum age for admis-  
11          sion to employment or work “shall not be less than  
12          the age of completion of compulsory schooling and,  
13          in any case, shall not be less than 15 years.”.

14          (3) Convention 29 of International Labor Orga-  
15          nization, the Forced Labor Convention, which has  
16          been in effect since 1930, prohibits most forms of  
17          “forced or compulsory labor”, including all forced  
18          labor by people under the age of 18.

19          (4) Although it is among the most universally  
20          condemned of all human rights abuses, child labor is  
21          widely practiced. The International Labor Organiza-  
22          tion and the United Nations Children’s Fund  
23          (UNICEF) have estimated the total number of child  
24          workers to be between 200,000,000 and

1       250,000,000. More than 95 percent of those child  
2       workers live in developing countries.

3           (5) The International Labor Organization has  
4       estimated that 13.2 percent of all children 10 to 14  
5       years of age around the world were economically ac-  
6       tive in 1995. According to UNICEF, 75 percent of  
7       the child laborers in the 10 to 14 age group work  
8       6 days a week or more, and 50 percent work 9 hours  
9       a day or more. There are no reliable figures on  
10      workers under 10 years of age, though their num-  
11      bers are known to be significant. Reliable child labor  
12      statistics are not readily available, in part because  
13      many governments in the developing world are reluc-  
14      tant to document those activities, which are often il-  
15      legal under domestic laws, which violate inter-  
16      national standards, and which may be perceived as  
17      a failure of internal public policy.

18           (6) Notwithstanding international and domestic  
19      prohibitions, many children in developing countries  
20      are forced to work as debt-bonded and slave laborers  
21      in hazardous and exploitative industries. According  
22      to the United Nations Working Group on Contem-  
23      porary Forms of Slavery and the International  
24      Labor Organization, there are tens of millions of  
25      child slaves in the world today. Large numbers of

1       those slaves are involved in agricultural and domes-  
2       tic labor, the sex industry, the carpet and textile in-  
3       dustries, and quarrying and brick making.

4           (7) In many countries, children lack either the  
5       legal standing or the means to protect themselves  
6       from cruelty and exploitation in the workplace.

7           (8) The employment of children often interferes  
8       with the opportunities of such children for basic edu-  
9       cation. Furthermore, where it coexists with high  
10      rates of adult unemployment, the use of child labor  
11      likely denies gainful employment to millions of  
12      adults.

13          (9) While child labor is a complex and multifac-  
14      eted phenomenon that is tied to issues of poverty,  
15      educational opportunity, and culture, its most abu-  
16      sive and hazardous forms are repugnant to basic  
17      human rights and must be eliminated.

18   **SEC. 3. IDENTIFICATION OF FOREIGN COUNTRIES AND IN-**  
19                   **DUSTRIES THAT USE CHILD LABOR IN PRO-**  
20                   **DUCING GOODS.**

21      (a) IDENTIFICATION OF COUNTRIES AND INDUS-  
22   TRIES.—The Secretary of Labor shall, not later than 6  
23   months after the date of the enactment of this Act, and  
24   not later than the end of each 1-year period thereafter,  
25   identify those foreign countries that do not prohibit child

1 labor, or that have laws prohibiting child labor but do not  
2 effectively enforce them, and those industries in such  
3 countries in which goods are produced or services provided  
4 with the use of child labor. The Secretary may revoke the  
5 identification of a country or an industry before the end  
6 of the 1-year period during which the identification would  
7 otherwise be effective, if revocation is warranted by new  
8 information or a change in the laws or practices of a coun-  
9 try.

10 (b) SANCTIONS.—The sanctions set forth in sections  
11 4 and 5 shall apply with respect to those countries and  
12 industries identified under subsection (a) for so long as  
13 the identification is effective under such subsection.

14 (c) EXEMPTION.—The prohibition on imports under  
15 section 4(a), the prohibition under section 5(a)(1)(B) on  
16 activities of the Export-Import Bank of the United States,  
17 the prohibition under section 5(a)(1)(C) on activities of  
18 the Overseas Private Investment Corporation, and the pro-  
19 hibition on multilateral assistance under section 5(a)(2)  
20 shall not apply with respect to a business entity if it is  
21 established to the satisfaction of the Secretary of Labor  
22 that no goods produced by that entity are products of child  
23 labor and that the business entity does not otherwise use  
24 child labor.

1 **SEC. 4. PROHIBITION ON IMPORTS.**

2 (a) PROHIBITION.—The Secretary of the Treasury  
3 shall prohibit the entry of any manufactured article that  
4 is a product of an industry identified under section 3(a).

5 (b) EXCEPTION.—Subsection (a) shall not apply to  
6 the entry of a manufactured article—

7 (1) that is entered under any subheading in  
8 subchapter IV or VI of chapter 98 (relating to per-  
9 sonal exemptions) of the Harmonized Tariff Sched-  
10 ule of the United States; or

11 (2) that was exported from the foreign country  
12 in which the industry concerned is located and was  
13 en route to the United States before the first day on  
14 which the identification of the country and industry  
15 was effective.

16 **SEC. 5. PROHIBITION ON ASSISTANCE FOR FOREIGN COUN-**  
17 **TRIES THAT USE CHILD LABOR IN PRODUC-**  
18 **ING GOODS.**

19 (a) PROHIBITION ON ASSISTANCE.—

20 (1) BILATERAL ASSISTANCE.—

21 (A) IN GENERAL.—Subject to subpara-  
22 graph (C), the President may not provide to a  
23 foreign country identified by the Secretary of  
24 Labor under section 3(a)—

25 (i) any assistance under the Foreign  
26 Assistance Act of 1961, other than—

1 (I) disaster relief assistance, in-  
2 cluding any assistance under chapter  
3 9 of part I of such Act;

4 (II) assistance which involves the  
5 provision of food (including monetiza-  
6 tion of food) or medicine; and

7 (III) assistance for refugees;

8 (ii) sales, or financing on any terms,  
9 under the Arms Export Control Act; or

10 (iii) the provision of agricultural com-  
11 modities, other than food, under the Agri-  
12 cultural Trade Development and Assist-  
13 ance Act of 1954.

14 (B) EXPORT-IMPORT BANK.—The Export-  
15 Import Bank of the United States may not give  
16 approval to the issuance of any guarantee, in-  
17 surance, extension of credit, or participation in  
18 an extension of credit in connection with the  
19 provision of any good or service to—

20 (i) the government of a foreign coun-  
21 try identified by the Secretary of Labor  
22 under section 3(a), or an agency of such  
23 government; or

1 (ii) a business entity that is in an in-  
2 dustry identified by the Secretary of Labor  
3 under section 3(a) in such a country.

4 (C) OVERSEAS PRIVATE INVESTMENT COR-  
5 PORATION.—(i) The Overseas Private Invest-  
6 ment Corporation may not issue insurance, re-  
7 insurance, or financing, or conduct other activi-  
8 ties, in connection with an industry identified  
9 by the Secretary of Labor under section 3(a).

10 (ii) Clause (i) does not affect contracts en-  
11 tered into by the Overseas Private Investment  
12 Corporation before the date of the enactment of  
13 this Act.

14 (2) MULTILATERAL ASSISTANCE.—The Sec-  
15 retary of the Treasury shall instruct the United  
16 States Executive Director of each international fi-  
17 nancial institution to use the voice and vote of the  
18 United States to oppose any loan or other use of the  
19 funds of such institution to or for any industry iden-  
20 tified by the Secretary of Labor under section 3(a).

21 (b) EXCEPTION.—A foreign country or an industry  
22 identified by the Secretary of Labor under section 3(a)  
23 may receive bilateral assistance described in subsection  
24 (a)(1) if the President determines and certifies to the Con-  
25 gress that it is in the vital national interest of the United



1 States to provide such bilateral assistance to such country  
2 or industry, as the case may be. The President shall in-  
3 clude in any such certification—

4 (1) a full and complete description of the vital  
5 national interest of the United States that is placed  
6 at risk if such assistance is not provided to such  
7 country or industry; and

8 (2) a statement weighing the risk described in  
9 paragraph (1) against the risk posed to the vital na-  
10 tional interest of the United States by the failure of  
11 such country to adopt or enforce laws prohibiting  
12 child labor or by the use of child labor by such in-  
13 dustry, as the case may be.

14 **SEC. 6. PENALTIES.**

15 (a) UNLAWFUL ACTS.—It is unlawful—

16 (1) to attempt to enter any manufactured arti-  
17 cle that is a product of an industry if the entry is  
18 prohibited under section 4(a); or

19 (2) to violate any regulation prescribed under  
20 section 7.

21 (b) CIVIL PENALTY.—Any person who commits any  
22 unlawful act set forth in subsection (a) is liable for a civil  
23 penalty of not to exceed \$25,000.

24 (c) CRIMINAL PENALTY.—In addition to being liable  
25 for a civil penalty under subsection (b), any person who

1 intentionally commits any unlawful act set forth in sub-  
2 section (a) is, upon conviction, liable for a fine of not less  
3 than \$10,000 and not more than \$35,000, or imprison-  
4 ment for not more than 1 year, or both.

5 (d) CONSTRUCTION.—The violations set forth in sub-  
6 section (a) shall be treated as violations of the customs  
7 laws for purposes of applying the enforcement provisions  
8 of the Tariff Act of 1930, including—

9 (1) the search, seizure, and forfeiture provi-  
10 sions;

11 (2) section 592 (relating to penalties for entry  
12 by fraud, gross negligence, or negligence); and

13 (3) section 619 (relating to compensation to in-  
14 formers).

15 **SEC. 7. REGULATIONS.**

16 The President shall issue such regulations as are nec-  
17 essary to carry out this Act.

18 **SEC. 8. UNITED STATES SUPPORT FOR DEVELOPMENTAL**  
19 **ALTERNATIVES FOR UNDERAGE CHILD**  
20 **WORKERS.**

21 There is authorized to be appropriated to the Presi-  
22 dent the sum of \$10,000,000 for each of fiscal years 1999  
23 through 2003 for a United States contribution to the  
24 International Labor Organization for the activities of the  
25 International Program on the Elimination of Child Labor.

1 **SEC. 9. DEFINITIONS.**

2 As used in this Act:

3 (1) CHILD LABOR.—The term “child labor”  
4 means the performance of services in exchange for  
5 remuneration (regardless of to whom paid), subsist-  
6 ence, goods, or services, or any combination thereof,  
7 or under circumstances tantamount to involuntary  
8 servitude—

9 (A) by persons who have not attained the  
10 minimum age, except for—

11 (i) light work by persons no more  
12 than 2 years younger than the minimum  
13 age that is not likely to harm their health  
14 or development and which does not preju-  
15 dice their attendance at school, their par-  
16 ticipation in vocational orientation or  
17 training programs approved by the com-  
18 petent authority in the country concerned,  
19 or their capacity to benefit from the in-  
20 struction received,

21 (ii) work on family and small-scale ag-  
22 ricultural holdings which grow or produce  
23 products primarily for local consumption  
24 and do not regularly employ hired workers,

25 (iii) work done by persons at least 14  
26 years of age in schools or other training in-

stitutions for general, vocational, or technical education,

(iv) work done by persons at least 14 years of age as an integral part of a program of education, training, or occupational guidance carried out in accordance with conditions prescribed by the competent authority in the country concerned, and

(v) participation in artistic performances pursuant to permits granted in individual cases by the competent authority in the country concerned; and

(B) by persons under the age of 18 if such services would likely jeopardize the health, safety, or moral character of a young person, except for the performance of such services by individuals at least 16 years of age where—

(i) the country concerned has expressly authorized such employment by national laws or regulation;

(ii) the health, safety, and morals of the individuals involved are fully protected; and

1 (iii) the individuals involved have re-  
2 ceived adequate specific instruction or vo-  
3 cational training in the relevant branch of  
4 activity.

5 (2) MINIMUM AGE.—The term “minimum age”  
6 means the age at which children complete compul-  
7 sory schooling under the national laws of the coun-  
8 try concerned, or the age of 15, whichever is older,  
9 except that when a country whose economy and edu-  
10 cational facilities are insufficiently developed has  
11 specified, pursuant to an international agreement, a  
12 minimum age of 14 years for a period of limited and  
13 specifically identified duration, the term “minimum  
14 age” means the age of 14 years during that period.

15 (3) PRODUCT OF CHILD LABOR.—A good shall  
16 be treated as being a product of child labor if the  
17 good—

18 (A) was fabricated, assembled, or proc-  
19 essed, in whole or part,

20 (B) contains any part that was fabricated,  
21 assembled, or processed, in whole or in part, or

22 (C) was grown, harvested, mined, quarried,  
23 pumped, or otherwise extracted,  
24 with child labor.

1           (4) MANUFACTURED ARTICLE.—The term  
2       “manufactured article” means any good that is fab-  
3       ricated, assembled, or processed. The term also in-  
4       cludes any mineral resource (including any mineral  
5       fuel) that is entered in a crude state. Any mineral  
6       resource that at entry has been subjected to only  
7       washing, crushing, grinding, powdering, levigation,  
8       sifting, screening, or concentration by flotation,  
9       magnetic separation, or other mechanical or physical  
10      processes shall be treated as having been processed  
11      for the purposes of this Act.

12           (5) BUSINESS ENTITY.—The term “business  
13      entity”—

14           (A) means any entity that produces (in-  
15           cluding fabricating, assembling, processing,  
16           growing, harvesting, mining, quarrying, pump-  
17           ing, or otherwise extracting), sells, imports, ex-  
18           ports, or contracts for the production of, a good  
19           in a foreign country; and

20           (B) includes, but is not limited to, entities  
21           owned or controlled in whole or in part by the  
22           government of a foreign country.

23           (6) FOREIGN COUNTRY.—The term “foreign  
24      country” means any foreign country and any posses-  
25      sion or territory of a foreign country that is admin-

1       istered separately for customs purposes (and in-  
2       cludes any designated zone within such country, pos-  
3       session, or territory).

4               (7)   INTERNATIONAL   FINANCIAL   INSTITU-  
5       TION.—The term “international financial institu-  
6       tion” has the meaning given that term in section  
7       1701(c)(2) of the International Financial Institu-  
8       tions Act (22 U.S.C. 262r(c)(2)).

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